

Kobayashi Pharmaceutical Co., Ltd. (4967)

Summary of Financial Statements (Japanese GAAP) (Consolidated) Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending December 31, 2025

August 5, 2025

Listed exchanges : Tokyo
Listed company name: Kobayashi Pharmaceutical Co., Ltd.
Code : 4967
URL : <https://www.kobayashi.co.jp/english/index.html>
Representative officer: Norikazu Toyoda, President & CEO
Contact : Yumi Nakagawa,
Executive Officer, General Manager, Financial Department
Tel : +81-6-6222-0142
Expected date for submitting semi-annual securities report: August 8, 2025
Expected date for starting payment of dividends: September 4, 2025
Preparation of supplementary documents for financial results: Yes
Holding of an analyst meeting for financial results: Yes (For analysts and investors)

(Any fraction less than 1 million yen is rounded down to the nearest million yen.)

1. Consolidated Results for the Second Quarter (Interim Period) of Fiscal Year Ending December 31, 2025 (January 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (accumulation)

(% figures represent changes from same period in previous year)

	Six months ended June 30, 2025			Six months ended June 30, 2024		
Net sales	69,018	millions of yen	(5.6) %	73,136	millions of yen	(0.7) %
Operating income	6,648		(29.8)	9,471		(9.0)
Ordinary income	7,245		(30.6)	10,434		(6.6)
Net income attributable to owners of the parent	3,167		120.5	1,436		(81.7)
Net income per share	42.61	yen		19.32	yen	

(Note) Comprehensive income

Six months ended June 30, 2025: -896 million yen (-%)

Six months ended June 30, 2024: 9,078 million yen (-37.6%)

(2) Consolidated Financial Position

	Six months ended June 30, 2025		FY ended December 31, 2024	
Total assets	260,710	millions of yen	265,368	millions of yen
Net assets	208,242		213,471	
Shareholders' equity ratio	79.6	%	80.2	%

(Reference) Shareholders' equity

As of June 30, 2025: 207,500 million yen FY ended December 31, 2024: 212,778 million yen

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2. Dividends

	FY ended December 31, 2024	FY ending December 31, 2025	FY ending December 31, 2025 (forecasts)
Dividends per share			
Q1 end	—	—	
Q2 end	43.00 yen	44.00 yen	
Q3 end	—		—
Year-end	59.00		60.00
Total	102.00		104.00

(Note) Revision of the latest dividend forecast: None

3. Forecasts of Consolidated Operational Results for Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% figures represent changes from previous year)			
Full year			
Net sales	171,000 millions of yen	3.3	%
Operating income	14,000	(43.7)	
Ordinary income	15,300	(43.0)	
Net income attributable to owners of the parent	10,500	4.3	
Earnings per share	141.25 yen		

(Note) Revision to the latest forecasts of operational results: None

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* Notes

(1) Significant changes in the scope of consolidation during the period under review: None

(2) Adoption of special accounting methods for preparing interim consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

① Changes in accounting policies due to revisions of accounting standards: Yes

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Retrospective restatement: None

(Note) For details, please refer to “2. Interim Consolidated Financial Statements and Main Notes (4) Notes on interim consolidated financial statements (Notes on changes in accounting policies)” on page 10 of the attachment.

(4) Issued shares (common shares)

① Number of shares issued at period-end (including treasury stock):

② Number of shares of treasury stock at period-end:

③ Average number of shares outstanding during period (six-month period):

As of June 30, 2025	78,050,000 shares	FY ended December 31, 2024	78,050,000 shares
As of June 30, 2025	3,711,181 shares	FY ended December 31, 2024	3,711,181 shares
As of June 30, 2025	74,338,819 shares	As of June 30, 2024	74,338,912 shares

* This brief report of financial statements for the second quarter (interim period) of the fiscal year ending December 31, 2025 is not subject to audit procedures by a certified public accountant or an independent auditor.

* Notes on proper use of forecasts and other matters

The forward-looking statements in this document concerning forecasting of operational results, etc. are based on currently available information and assumptions considered reasonable by the Company. Actual operational results may be significantly different from these statements due to various factors. For matters concerning forecasts for operational results, please refer to “1. Summary of Operational Results (3) Explanation of future forecast information, such as forecast of consolidated results” on page 4 of the attachment.

(Method to obtain the supplementary explanation documents for financial results)

The Company plans to hold a results presentation for institutional investors and securities analysts on Tuesday, August 5, 2025. It plans to post the supplementary documents for financial results to be distributed in the results presentation on its website on the date of the results presentation.

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1. Summary of Operational Results

(1) Summary of operational results for six months ended June 30, 2025

We sincerely apologize for the significant inconvenience and concern caused to our valued customers who have suffered health issues, as well as to our shareholders and all other stakeholders surrounding our company, in relation to our benikoji-related products. The Company is sincerely committed to compensating customers who have developed health problems and business partners who have been affected by the inconvenience we caused, and we are continuing to make every effort to prevent recurrence of the incident and restore trust.

During the current interim consolidated accounting period (January 1, 2025 to June 30, 2025), economic activity resumed in many countries, and the number of people moving across countries and regions showed an upward trend along with the lessening of the number of new COVID-19 cases. However, in addition to rising geopolitical risks, there were concerns about a slowdown in consumption due to soaring raw material prices and higher energy costs. Accordingly, the outlook for the business environment surrounding the Kobayashi Pharmaceutical Group continued to remain uncertain.

As a result, net sales, operating income, ordinary income, and net income attributable to owners of the parent were 69,018 million yen (−5.6% year on year), 6,648 million yen (−29.8% year on year), 7,245 million yen (−30.6% year on year), and 3,167 million yen (+120.5% year on year), respectively.

Business results by segment were as follows:

Domestic Business

In the Domestic Business, the Company launched 10 new products in the spring of the current year. The products that contributed to growth in sales were *Kanpo Nightmin Yokukansan* (a Chinese herbal medicine for improving insomnia, calming nervous excitement and supporting better sleep), *HADA KINKIN BODY MIST* (a heatstroke prevention spray that cools the skin instantly upon application), and *Gomi Sawaday Kokin Plus* (a dual-action deodorizer and air freshener for deodorizing and sanitizing kitchen garbage).

In addition, stronger inbound demand, fueled by the growing number of foreign tourists, also helped boost sales.

The Company suspended advertising of all of its products from March 22, 2024 after it announced a voluntary recall of benikoji-related products. As a result, sales of healthcare products, in particular, were heavily affected and continued to decline. However, the impact began to subside after April 2025. The gradual resumption of TV advertising in June 2025 led to a pickup in healthcare product sales in the second quarter. Furthermore, sales of household products also increased due to the waning impact of the advertisement suspension and continued contribution of product price hikes and newly launched products.

On the other hand, in the Direct Marketing Business, sales decreased due to an increase in the cancellation of regular subscriptions.

Consequently, the Company reported net sales of 53,660 million yen (−5.4% year on year) and segment income of 8,194 million yen (−16.2% year on year).

Net sales include inter-segment sales or transfers, which totaled 2,012 million yen in the previous interim consolidated accounting period and 1,903 million yen in the current interim consolidated accounting period.

(Breakdown of sales to external customers)

	Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (January 1, 2025 to June 30, 2025)	Change	
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Change (%)
Healthcare products	29,823	27,165	(2,657)	(8.9)
Household products	21,471	22,148	677	3.2
Body warmers	709	958	249	35.2
Direct Marketing Business	2,735	1,483	(1,251)	(45.8)
Total	54,739	51,756	(2,982)	(5.4)

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International Business

In the International Business, the Company markets body warmers, *Netsusama Sheet* (a cooling gel sheet for the forehead) and *Ammeltz* (an external anti-inflammatory), mostly in the United States, China, and Southeast Asia, and sought to expand sales by aggressively investing principally in advertising and sales promotion.

In the United States, as temperatures from January to March 2025 were lower than those during the same period in 2024, sales of body warmers grew. Furthermore, Focus Consumer Healthcare, LLC, which we acquired in 2023, launched new nutritional supplements. These contributed to a rise in net sales.

In China, the Company experienced a decline in net sales. This was due to a smaller number of patients with fever compared to previous years, resulting in reduced demand for *Netsusama Sheets*.

In Southeast Asia, net sales decreased due to a sluggish demand for *Netsusama Sheet* in reaction to sales growth driven by the prevalence of infectious diseases last year as well as the impact of inventory adjustment in each country.

As a result, net sales and segment loss were 17,755 million yen (−6.4% year on year) and 1,496 million yen (segment loss of 491 million yen in the previous year), respectively.

Net sales include inter-segment sales or transfers, which totaled 824 million yen in the previous interim consolidated accounting period and 739 million yen in the current interim consolidated accounting period.

(Breakdown of sales to external customers)

	Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (January 1, 2025 to June 30, 2025)	Change	
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Change (%)
United States	6,919	7,888	969	14.0
China	4,866	3,697	(1,169)	(24.0)
Southeast Asia	4,443	3,558	(885)	(19.9)
Others	1,910	1,871	(39)	(2.1)
Total	18,140	17,015	(1,124)	(6.2)

Other Businesses

Businesses in this segment include the transportation business, the manufacture and sale of plastic containers, real estate management, and advertising planning and production. The companies in this business segment operate individually on a financially independent basis, and their delivery prices of materials and services were reviewed and revised as necessary.

As a result, net sales and segment income were 3,106 million yen (−6.2% year on year) and 69 million yen (−60.9% year on year), respectively.

Net sales include inter-segment sales or transfers, which totaled 3,053 million yen in the previous interim consolidated accounting period and 2,861 million yen in the current interim consolidated accounting period.

(2) Summary of financial position as of June 30, 2025

Total assets decreased by 4,658 million yen from the balance as of the end of the previous consolidated fiscal year to 260,710 million yen. This was attributable mainly to an increase of 5,415 million yen in cash and deposits, a decrease of 16,469 million yen in notes and accounts receivable-trade, a decline of 1,486 million yen in short-term investment securities, a rise of 6,504 million yen in merchandise and finished goods, a growth of 6,004 million yen in construction in progress, a fall of 1,455 million yen in goodwill, and a decrease of 1,420 million yen in trademark rights.

Liabilities increased by 570 million yen from the balance as of the end of the previous consolidated fiscal year to 52,467 million yen. This was attributable mainly to an increase of 838 million yen in notes and accounts payable-trade, a decrease of 1,322 million yen in accounts payable-other, a rise of 620 million yen in accrued consumption taxes, and a growth of 434 million yen in deferred tax liabilities.

Net assets declined by 5,229 million yen from the balance as of the end of the previous consolidated fiscal year to 208,242 million yen, bringing the shareholders' equity ratio to 79.6%. This was attributable mainly to a decrease of 1,218 million yen in retained earnings and a fall of 4,401 million yen in foreign currency translation adjustment.

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(Cash Flow)

Cash flows from each of operating, investing, and financing activities for the current interim consolidated accounting period and major factors for changes are as follows:

Cash flows from operating activities

Cash flows from operating activities totaled 14,206 million yen (versus 5,522 million yen in the previous year). The major factors were income before income taxes of 4,248 million yen, depreciation of 3,622 million yen, a decrease in notes and accounts receivable-trade of 15,714 million yen, an increase in inventories of 7,253 million yen, a rise in notes and accounts payable-trade of 917 million yen, a decline in accounts payable-other of 5,630 million yen, and income taxes paid of 1,627 million yen.

Cash flows from investing activities

Cash flows from investing activities totaled -8,361 million yen (versus -14,879 million yen in the previous year). The major factors affecting this cash flow were payments into time deposits of 14,384 million yen, proceeds from withdrawal of time deposits of 11,279 million yen, and purchase of property, plant and equipment of 5,590 million yen.

Cash flows from financing activities

Cash flows from financing activities totaled -4,508 million yen (versus -4,438 million yen in the previous year). The major factor affecting this cash flow was cash dividends paid of 4,382 million yen.

Consequently, cash and cash equivalents as of June 30, 2025 totaled 47,032 million yen, an increase of 1,058 million yen from the end of the previous consolidated fiscal year.

(3) Explanation of future forecast information, such as forecast of consolidated results

The Group did not revise its forecast of consolidated results for the fiscal year ending December 31, 2025, which it announced via the Summary of Financial Statements for the Fiscal Year Ended December 31, 2024 released on February 10, 2025.

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2. Interim Consolidated Financial Statements and Main Notes

(1) Interim consolidated balance sheet

(millions of yen)

	Previous consolidated fiscal year (December 31, 2024)	End of the current interim consolidated accounting period (June 30, 2025)
ASSETS		
Current assets		
Cash and deposits	50,873	56,288
Notes and accounts receivable-trade	49,442	32,973
Short-term investment securities	14,872	13,386
Merchandise and finished goods	15,143	21,648
Work in process	2,091	2,421
Raw materials and supplies	6,929	6,584
Other	5,174	2,728
Allowance for doubtful accounts	(58)	(60)
Total current assets	144,468	135,971
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,461	32,810
Machinery, equipment and vehicles, net	6,476	6,355
Tools, furniture and fixtures, net	2,485	2,400
Land	5,947	5,902
Leased assets, net	815	711
Construction in progress	19,261	25,266
Total property, plant and equipment	67,448	73,447
Intangible assets		
Goodwill	9,260	7,805
Trademark rights	8,220	6,800
Software	2,662	2,780
Other	530	475
Total intangible assets	20,674	17,861
Investments and other assets		
Investment securities	24,617	25,245
Long-term loans receivable	1,269	1,311
Retirement benefit asset	750	807
Deferred tax assets	3,087	3,449
Real estate for investment, net	2,650	2,634
Other	1,730	1,352
Allowance for doubtful accounts	(1,328)	(1,371)
Total investments and other assets	32,777	33,429
Total non-current assets	120,900	124,738
Total assets	265,368	260,710

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(millions of yen)

	Previous consolidated fiscal year (December 31, 2024)	End of the current interim consolidated accounting period (June 30, 2025)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	8,264	9,103
Electronically recorded obligations-operating	6,424	6,304
Accounts payable-other	17,117	15,795
Lease obligations	343	355
Income taxes payable	1,913	1,650
Accrued consumption taxes	346	967
Provision for bonuses	2,840	2,768
Provision for product recall-related losses	3,970	4,186
Other	5,202	5,374
Total current liabilities	46,423	46,505
Non-current liabilities		
Lease obligations	503	394
Deferred tax liabilities	1,554	1,988
Net defined benefit liability	1,005	1,036
Other	2,409	2,542
Total non-current liabilities	5,473	5,962
Total liabilities	51,896	52,467
NET ASSETS		
Shareholders' equity		
Capital stock	3,450	3,450
Capital surplus	522	522
Retained earnings	208,240	207,022
Treasury stock	(24,767)	(24,767)
Total shareholders' equity	187,445	186,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,469	12,781
Foreign currency translation adjustment	12,300	7,898
Re-measurements of retirement benefit plans	563	593
Total accumulated other comprehensive income	25,333	21,273
Share acquisition rights	688	741
Non-controlling interests	4	0
Total net assets	213,471	208,242
Total liabilities and net assets	265,368	260,710

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- (2) Interim consolidated statements of income and interim consolidated statements of comprehensive income
(Interim consolidated statements of income)
(Interim consolidated accounting period)

	(millions of yen)	
	Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (January 1, 2025 to June 30, 2025)
Net sales	73,136	69,018
Cost of sales	32,379	32,873
Gross profit	40,757	36,145
Selling, general and administrative expenses	31,285	29,496
Operating income	9,471	6,648
Non-operating income		
Interest income	120	125
Dividend income	300	332
Real estate rent	147	153
Foreign exchange gains	360	—
Other	234	504
Total non-operating income	1,163	1,117
Non-operating expenses		
Interest expenses	17	12
Rent cost of real estate	51	51
Foreign exchange losses	—	306
Other	130	149
Total non-operating expenses	200	519
Ordinary income	10,434	7,245
Extraordinary income		
Gain on sales of non-current assets	3	55
Gain on sale of investment securities	0	110
Other	0	12
Total extraordinary income	4	179
Extraordinary loss		
Loss on sales and retirement of non-current assets	32	27
Product recall-related losses	7,726	2,912
Other	424	235
Total extraordinary loss	8,183	3,175
Income before income taxes	2,255	4,248
Income taxes-current	1,841	1,520
Income taxes-deferred	(1,022)	(434)
Total income taxes	818	1,085
Net income	1,436	3,163
(Loss) attributable to non-controlling interests	—	(3)
Net income attributable to owners of the parent	1,436	3,167

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(Interim consolidated statements of comprehensive income)

(Interim consolidated accounting period)

(millions of yen)

	Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (January 1, 2025 to June 30, 2025)
Net income	1,436	3,163
Other comprehensive income		
Valuation difference on available-for-sale securities	912	312
Foreign currency translation adjustment	6,680	(4,402)
Adjustment for retirement benefits	49	29
Total other comprehensive income	7,642	(4,059)
Comprehensive income	9,078	(896)
(Quarterly comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	9,078	(892)
Comprehensive income attributable to non-controlling interests	—	(4)

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(3) Interim consolidated statement of cash flows

	(millions of yen)	
	Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (January 1, 2025 to June 30, 2025)
Cash flows from operating activities		
Income before income taxes	2,255	4,248
Depreciation	3,149	3,622
Amortization of goodwill	706	690
Increase (decrease) in provision for product recall-related losses	3,603	216
Interest and dividend income	(420)	(458)
Interest expenses	17	12
Loss (gain) on sale of investment securities	—	(110)
Loss (gain) on sales and retirement of non-current assets	29	(27)
Decrease (increase) in notes and accounts receivable-trade	18,942	15,714
Decrease (increase) in inventories	(7,492)	(7,253)
Increase (decrease) in notes and accounts payable-trade	(2,604)	917
Increase (decrease) in accounts payable-other	(5,921)	(5,630)
Increase (decrease) in accrued consumption taxes	(606)	627
Other	(2,500)	2,895
Subtotal	9,157	15,462
Interest and dividend income received	398	388
Interest expenses paid	(19)	(16)
Income taxes paid	(4,013)	(1,627)
Net cash provided by (used in) operating activities	5,522	14,206
Cash flows from investing activities		
Payments into time deposits	(17,192)	(14,384)
Proceeds from withdrawal of time deposits	24,341	11,279
Purchase of securities	(2,000)	—
Proceeds from sales and redemption of securities	2,000	—
Purchase of property, plant and equipment	(21,729)	(5,590)
Proceeds from sales of property, plant and equipment	3	237
Purchase of intangible assets	(214)	(340)
Purchase of investment securities	(5)	(9)
Proceeds from sale of investment securities	—	151
Other	(82)	295
Net cash provided by (used in) investing activities	(14,879)	(8,361)
Cash flows from financing activities		
Cash dividends paid	(4,310)	(4,382)
Other	(127)	(125)
Net cash provided by (used in) financing activities	(4,438)	(4,508)
Effect of exchange rate change on cash and cash equivalents	1,276	(277)
Net increase (decrease) in cash and cash equivalents	(12,518)	1,058
Cash and cash equivalents at beginning of period	59,690	45,973
Cash and cash equivalents at end of period	47,172	47,032

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(4) Notes on interim consolidated financial statements

(Notes on assumption of going concern)

Not applicable

(Notes on a significant change in shareholders' equity)

Not applicable

(Notes on changes in accounting policies)

(Application of Practical Solution on the Accounting for and Disclosure of Current Taxes Related to Global Minimum Tax Rules)

"Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (ASBJ PITF No. 46, on March 22, 2024) has been applied from the beginning of the interim period of the current consolidated fiscal year ending December 31, 2025. Current taxes related to global minimum tax rules were not recorded in the financial statements for the interim period of the current consolidated fiscal year because ASBJ PITF No. 7 was applied.

(Notes on interim consolidated balance sheet)

(Contingent liabilities)

Over a year has passed since Kobayashi Pharmaceutical disclosed information on March 22, 2024 concerning health incidents and the voluntary recall of *Benikoji CholesteHelp*, a functional food product it marketed. The Company is continuing to collect information from business partners regarding product recall-related costs and to make payments accordingly. At the same time, it is also reviewing compensation claim documents submitted by customers affected by health issues and proceeding with compensation payments, including medical expenses.

In relation to the incident, the Company has recorded expenses within a reasonably estimated range at present as a provision for product recall-related losses. The expenses include mainly (1) expenses for recovering benikoji raw materials for business partners and (2) expenses related to compensating customers who developed health problems. However, with respect to expenses that cannot be reasonably estimated at present, including those arising from legal actions by business partners and customers, the Company is currently unable to determine the total amount, and additional costs may be incurred.

(1) Expenses for recovering benikoji raw materials for business partners

Kobayashi Pharmaceutical directly marketed benikoji raw materials to 52 business partners, who sold them to domestic and international customers. These Kobayashi Pharmaceutical Group business partners have been recovering benikoji-related products. The Company requested them to gather information on expenses related to the product recall. Based on information regarding the expenses for recovering benikoji-related products individually collected from its business partners, the Company estimated and recorded the cost of a product recall that it may incur in the future within a reasonably estimated range.

(2) Expenses related to compensating customers who developed health problems

In accordance with the compensation policy and compensation details outlined in the press release titled "Compensation for customers who have experienced health issues due to consuming Kobayashi Pharmaceutical's *Beni-koji CholesteHelp* and other products," dated August 8, 2024, as well as the compensation assessment standards established based on the policy and details, Kobayashi Pharmaceutical has been providing compensation to affected customers, including coverage for medical and transportation expenses, consolation payments, and compensation for lost wages and residual disability. Based on the status of outpatient visits and hospitalizations, as well as the unit prices used to calculate consolation payments, and compensation for lost wages and residual disability, etc., the Company has estimated and recorded compensation expenses that it may incur in the future within a reasonably estimated range.

(Notes on interim consolidated statement of income)

In the interim period of the current consolidated fiscal year, the Company recorded expenses for recovering benikoji-related products and expenses related to the product recall as an extraordinary loss of 2,912 million yen for product recall-related losses. The product recall-related losses mainly consist of the recovery of benikoji raw materials for business partners, compensation to customers who developed health problems, and a provision for product recall-related losses.

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(Notes on segment information, etc.)

[Segment information]

I. Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)

Information on net sales, income or loss by reportable segment and on the breakdown of revenue

(millions of yen)

	Reportable segment			Other (Note 1)	Grand total	Adjustment (Note 2)	Figures in interim consolidated statements of income (Note 3)
	Domestic Business	International Business	Total				
Net sales							
Japan	54,739	—	54,739	256	54,995	—	54,995
United States	—	6,919	6,919	—	6,919	—	6,919
China	—	4,866	4,866	—	4,866	—	4,866
Southeast Asia	—	4,443	4,443	—	4,443	—	4,443
Other	—	1,910	1,910	—	1,910	—	1,910
Revenue from contracts with customers	54,739	18,140	72,879	256	73,136	—	73,136
Net sales to outside customers	54,739	18,140	72,879	256	73,136	—	73,136
Inter-segment sales or transfers	2,012	824	2,837	3,053	5,891	(5,891)	—
Total	56,751	18,965	75,717	3,310	79,027	(5,891)	73,136
Segment income (loss)	9,784	(491)	9,292	177	9,470	1	9,471

(Notes)

1. *Other* represents businesses that are not included in reportable segments, such as the transportation business, manufacture and sale of plastic containers, real estate management, and advertisement planning and production.
2. Adjustments of 1 million yen in segment income (loss) are eliminations among segments.
3. Segment income is adjusted with operating income in the interim consolidated statements of income.

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II. Current interim consolidated accounting period (January 1, 2025 to June 30, 2025)

Information on net sales, income or loss by reportable segment and on the breakdown of revenue

(millions of yen)

	Reportable segment			Other (Note 1)	Grand total	Adjustment (Note 2)	Figures in interim consolidated statements of income (Note 3)
	Domestic Business	International Business	Total				
Net sales							
Japan	51,756	—	51,756	245	52,002	—	52,002
United States	—	7,888	7,888	—	7,888	—	7,888
China	—	3,697	3,697	—	3,697	—	3,697
Southeast Asia	—	3,558	3,558	—	3,558	—	3,558
Other	—	1,871	1,871	—	1,871	—	1,871
Revenue from contracts with customers	51,756	17,015	68,772	245	69,018	—	69,018
Net sales to outside customers	51,756	17,015	68,772	245	69,018	—	69,018
Inter-segment sales or transfers	1,903	739	2,642	2,861	5,503	(5,503)	—
Total	53,660	17,755	71,415	3,106	74,521	(5,503)	69,018
Segment income (loss)	8,194	(1,496)	6,697	69	6,767	(118)	6,648

(Notes)

1. *Other* represents businesses that are not included in reportable segments, such as the transportation business, manufacture and sale of plastic containers, real estate management, and advertisement planning and production.
2. Adjustments of –118 million yen in segment income (loss) are eliminations among segments.
3. Segment income (loss) is adjusted with operating income in the interim consolidated statements of income.

(Notes on revenue recognition)

Information on the breakdown of revenue from contracts with customers is as provided in “Notes on interim consolidated financial statements (Notes on segment information, etc.)”

(Notes on important subsequent events)

Not applicable